

Message Text

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SUBJ: MAJOR PROJECTS: BIDS FOR SUPPLY AND INSTALLATION OF CABLE
FOR TELECOMMUNICATIONS OF IRAN(TCI)

REF: TEHRAN 3346

1. MR. G.R.A. TOURZAN, TCI'S PROJECT DIRECTOR FOR THE 2M CABLE
PROJECT, TOLD EMBOFF THAT SIX FOREIGN COMPANIES ARE PARTICIPATING
IN THE BID, AS FOLLOWS:

ERICKSON(SWEDEN), ITT(SUPPLYING FROM ITS PLANT IN ITALY),
A JAPANESE CONSORTIUM, FORTRESS-ICAS(US), FORD AERONUTRONIC/
HENKELS-MCCOY(US), AND SIEMEAS(GERMANY).

THE BID HAS BEEN BROKEN DOWN INTO SIX SEPARATE PACKAGES, I.E.,
THREE PACKAGES FOR TEHRAN(NOS. 7,8AND9) AND THREE FOR THE
PROVINCES(NOS. 10,11 AND 12). ERICKSON HAS BID ON PACKAGES
NOS. 10-11 AND 12, ITT FOR NO. 10, JAPAN *94 7, 8 AND 9,
FORTRESS-ICAS FOR ALL PACKAGES; 7 THROUGH 12, FORD AERONUTRONIC/
HENKELS-MCCOY ON NOS. 10,11 AND 12 AND SIEMENS FOR NOX. 10 AND 11.
"ENVELOPE A" WHICH WAS OPENED APRIL 4 IS THE BASIC COMPLIANCE
DOCUMENT AND ALL SIX FIRMS APPARENTLY COMPLIED SATISFACTORILY.
"ENVELOPE B" CONTAINING THE TECHNICAL SPECIFICATIONS AND ANY
ALTERNATIVE PROPOSALS WILL BE OPENED IN A FEW DAYS. "ENVELOPE C"
WILL CONTAIN THE PRICE QUOTATIONS FROM EACH OF THE SIX FIRMS
AND IS EXPECTED TO BE OPENED IN ABOUT ONE MONTHS' TIME.

2. MR. TOURZAN ESTIMATED THE TOTAL COST OF THE PROJECT TO TCI
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AT BETWEEN \$500 MILLION AND \$600 MILLION. A TOTAL COST IN EXCESS

OF \$700 MILLION, SAID TOURZAN, PROBABLY COULD NOT BE JUSTIFIED. WHEN ASKED ABOUT THE CHANCES OF THE TWO AMERICAN FIRMS, TOURZAN WAS UNABLE TO GIVE ANY DEFINITIVE REPLY, SAYING THAT IN THE END THE FIRM OF FIRMS WITH THE LOWEST BIDS IN "ENVELOPE C" WOULD GET THE BUSINESS. HE CONTRASTED THE 2M PROJECT WITH GT&E'S SWITCHING GEAR CONTRACT WHERE IT WAS POSSIBLE FOR THE GOI SIMPLY TO SELECT GT&E FROM THE SEVERAL BIDDING FIRMS ON THE BASIS OF A NUMBER OF RELEVANT CONSIDERATIONS, MOST IMPORTANTLY THE ELECTRONIC FEATURE OF GT&E'S BID. TOURZAN WENT ON TO SAY THAT CABLE IS ESSENTIALLY THE SAME THE WORLD OVER AND THAT THE LOW BIDDER WOULD WIN. SINCE ONLY ONE OF THE FIRMS IS GOING FOR THE ENTIRE BUSINESS, IT SEEMS PROBABLE THAT THE TOTAL CABLE PROJECT WILL BE DIVIDED AMONG TWO OR MORE OF THE COMPANIES. MR. TOURZAN THOUGHT THAT IN THE END FORTRESS-ICAS WOULD PROBABLY SETTLE FOR TWO OF THE SIX PACKAGES ASSUMING ITS QUOTATION WAS LOW ENOUGH.

3. THE EMBASSY WILL KEEP WASHINGTON INFORMED OF DEVELOPMENTS ON THIS MAJOR CONTRACT AS THEY OCCUR.
HELMS

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